will follow her example and devaluate their currencies, British exports will grow, her production will expand and her unemployment decline. Great Britain is on the way out of the crisis!"

"Nonsense!" Hilferding shouted.

"Either my projection or yours is nonsense," I replied. "Three months from now we shall know which of them is sound."

Leipart said grimly, "We do not know whether Dr. Hilferding or Dr. Woytinsky is right. We shall wait and see."

The British economy recovered by leaps and bounds. But the winter of 1931-32 brought more misery to the German people. More than eight million workers—over 40 per cent of the total labor force—were idle; nearly half of those who had jobs were working part time. The unemployment rate was about double that in the United States, and there was no hope of improvement. Brüning stuck to his policy doggedly. Even if his party felt its failure, it did not dare change horses in the middle of the stream. The S-D party followed Hilferding, who supported the government's policy of defending a sound currency.

One morning Leipart called my office. "We have a board meeting this afternoon. Are you ready to report your program?"

I was ready. I had dropped the international part of my original plan. The world economy was slowly recovering, and Germany was now the heart of the depression. The situation demanded that she act at once by launching large-scale public works at the price of a controlled inflation. I had discussed the matter with many experts. A prominent bank executive had approached the former president of the German Central Bank, Schacht, who expressed his opinion that credits for two billion marks for public works could be opened at once. To accelerate the start of the program, I set a very modest immediate goal—jobs for one million workers. This would be the first step.

CONFLICT WITH THE S-D PARTY

Leipart opened the board's meeting. "Four months ago," he said, "we discussed the events in Great Britain. Hilferding predicted the ruin of the British economy, Woytinsky predicted recovery. The British have proved to be wiser than the Germans. Now our unions must take full responsibility for the economic policy of German labor." The board accepted my program unanimously. Wells was silent during the discussion but remarked after the vote, "You, the unions, have voted a program for legislation. This has never been done before. In the past the party developed the program and cleared it with you. Do you intend to clear your program with us?"